

## Achievements of the Ministry of Mines in the last two years

### 1 Legislation

Amendments in the Mines and Mineral Development and Regulations Act, 1957 (MMDR) Act has been introduced from time to time with the aim to introduce ease of doing business, to ensure continuous mineral supply and increase mineral production of the country thereby providing more jobs and increase contribution of mining sector in GDP and contribute to the dream of Atam Nirbhar Bharat.

#### 1.1 Amendment to MMDR Act, 1957 in 2020

In 2020, mining leases in respect of 334 mines of iron ore, manganese ore, chromite and other minerals were expiring on 31<sup>st</sup> March. To ensure supply of raw material (i.e. minerals) in the country, the MMDR Act, 1957 was further amended through Mineral Laws Amendment Act, 2020.

- This amendment provides for seamless transfer of all valid rights, approvals, etc. to the new lessee to enable commencement of mining operations immediately after auction of mineral blocks to ensure uninterrupted supply of minerals to the downstream industries.
- Act gives power to the state government to auction the mining lease before the expiry
- The new provisions will also augment the exploration of the deep-seated minerals and minerals of national interest by allowing Non-Exclusive Reconnaissance Permits (NERP) holders to apply for composite licence or Mining Lease (PL-cum-ML).
- Seamless operationalization of mining leases expired in March, 2020 - Out of 46 expired mines, 28 mines have been auctioned. 2 mines are ready for auction, 12 mines are under exploration, 3 mines reserved for PSUs.

1.2 Mines and Minerals (Development and Regulation) Amendment Act, 2021 was passed with following provisions for giving immediate boost to mineral production and improving ease of doing business:-

- Revitalize mineral sector by giving immediate boost to mineral production:
  - Removing the distinction between captive and merchant mines. It allows all captive mines to sell upto 50% of the minerals produced during the year after meeting the requirement of attached plant. All future auctions will be without any end use restrictions.
  - Resolving pending cases under section 10A(2)(b) by bringing them under new auction regime. Around 500 cases under section 10A(2)(b) of the Act are still pending in absence of the sunset clause.
  - Substituting 'mining operations' with 'production and dispatch'. Since the interpretation of the term mining operations is generic, it is difficult to cancel non producing leases.
  - Re-allocation of non-producing blocks of the Government companies as some of the mining blocks reserved for Government companies are not brought into production for many years.

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- Promote ease of doing business:
  - Statutory clearances to be valid even after expiry or termination of mining lease and would be transferred to next lessee of the mine.
  - This will ensure continuity in mining operations and production despite change in lessee.
  - It will address around 23 clearances in turn facilitating ease in the business.
- Allowed transfer of all mineral concession without any charges.
  - Lessee who is not interested in mining due to its financial condition or any other reason may transfer its mine to an interested mining resulting in operationalisation of mines.
- Other structural reforms:
  - Central Government may issue directions regarding composition and utilization of funds by District Mineral Foundation (DMF).
  - It empowered Central Government to conduct auction in cases where the States face challenges in conduct of auction or fail to conduct auction in prescribed time. Auction of mineral concessions by the Central Government in case of difficulties faced by State Governments.
  - Simplification of exploration regime. It will increase the pace of exploration and will bring advance technology in exploration of mineral by giving level playing field for government and private agency.
  - Provision for incentivizing the lease holders for starting of mining operation and dispatch prior to the scheduled date of mining operations mentioned in the tender document
  - Provision for allowing transfer of letter of intent for grant of mining lease or composite licence in case of auctioned mines.

## **2 Other Achievements of the Ministry:**

2.1 Auction of Mineral Blocks with Pre-Embedded Clearances - After MMDR Amendment Act, 2015, States are granting mineral concessions through e-auction and the successful bidder obtains all the statutory clearances (about 20 Nos.) for starting production of minerals from these auctioned mines, which takes about 2-3 years. This not only delays start of mineral production from e-auctioned mines but also leaves scope for lesser interest in auctioning of mineral blocks by the investor. To promote ease of doing business in the mining sector and to expedite the auction process as well as operation of mining lease by the successful bidder, Ministry of Mines has issued the guidelines for auction of mineral blocks with pre-embedded clearances as "Pilot Project" under section 20A of the MMDR Act on 03.06.2020. The States have been advised to establish Project Monitoring Unit (PMU) which would obtain all the clearances from different agencies and will transfer such approvals to the successful bidder. State Governments have so far identified 17 mineral blocks for auction with pre-embedded clearances.

2.2 Since the amendment to the MMDR Act, 1957 in the year 2015, a total of 105 mineral

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blocks have been auctioned so far across 9 States. The estimated revenue to the State Governments over the lease period of these auctioned mines is Rs.8,27,982 Cr. So far, mining lease has been executed for 39 auctioned mines out of which 35 auctioned mines are in production and 1 mine granted for composite license is also operational.

2.3 Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) is being implemented through the funds collected under District Mineral Foundation (DMF). DMFs have been set up in 600 districts in 22 major mineral States. As of March 2021, the amount collected in the DMFs is Rs.47,119.92 crore. Funds to the tune of Rs. 44802.79 crore have been allocated for more than 2,07,853 projects and Rs.22582.18 Crore has been spent. Total 2,07,853 projects have been sanctioned under the scheme.

2.4 State Governments are continuing to use District Mineral Foundation (DMF) funds to combat COVID-19, wherein Rs.708.54 crore has been spent till 28.05.2021.

2.5 National Mineral Exploration Trust (NMET) has approved 190 exploration projects with total cost of Rs. 967.41 crore up to 31<sup>st</sup> March, 2020. A total of 69 projects have already been completed and 118 projects are ongoing. Total fund collected in NMET till 28.05.2021 is Rs.2772.31 Crore.

2.6 Under the Garib Kalyan Rojgar Abhiyaan (GKRA) launched by Hon'ble PM on 20th June 2020 to generate employment opportunities for the returnee migrants in 116 districts of 6 States (Madhya Pradesh, Rajasthan, Jharkhand, Odisha, Uttar Pradesh and Bihar) for 125 days, overall Rs.1042.82 crore was spent on 7583 projects and employment worth 50974 person days was generated during the scheme period. The scheme has culminated on 23<sup>rd</sup> October 2020.

2.7 National Non-Ferrous Metal Scrap Recycling Framework, 2020 has been published on 06.01.2021 to promote a formal and well-organized recycling ecosystem by adopting energy efficient processes for recycling leading to lower carbon footprints and to work towards sustainable development and intergenerational equity, and to shift towards a circular economy in the coming years for base metals, critical raw materials and other essential materials

2.8 Ministry of Mines has approved "Non-Ferrous Metal Import Monitoring System" (NFMIMS) to monitor the import of Aluminium & Copper, including scrap, in the country which is effective from 12.04.2021. The purpose of NFMIMS is to have adequate information with regard to import of Aluminium and Copper so that an appropriate policy intervention could be devised well in time.

2.9 The long pending issue of Donimalai iron ore mine of NMDC in Karnataka, which was suspended since November, 2018, has finally concluded through the endeavour of the Ministry of Mines. The Karnataka Government has issued order on 01.12.2020 permitting NDMC Limited to restart mining operations at its Donimalai mines in Bellary District, Karnataka. The operationalization of the Donimalai iron ore mines, which has an estimated

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resource of 149 MT, will increase the annual iron ore production in the country by 7 MTPA. It will contribute around Rs. 1100 crore to the State exchequer per annum and will take the country a step closer towards the vision of the Government to achieve 300 MTPA crude steel capacity by 2030-31.

2.10 Setting up of Khanij Bidesh India Limited (KABIL) - A joint venture company, namely, Khanij Bidesh India Ltd. (KABIL) incorporated on 08.08.2019 by three CPSUs, namely, National Aluminium Company Ltd., Hindustan Copper Ltd. and Mineral Exploration Company Ltd. with equity participation in the ratio of 40:30:30 respectively, to identify, acquire, develop, process and make commercial use of critical and strategic minerals (like lithium and cobalt) in overseas locations to ensure mineral security with respect to critical & strategic mineral commodities. Engagements are under progress for a collaboration in between KABIL and M/s. TENEX as well as M/s. ROSATOM (state owned nuclear agency) of Russia. These initiatives taken by the KABIL are preliminary steps to ensure a consistent supply of critical and strategic minerals (like lithium and cobalt) to Indian domestic market. KABIL signed non-binding Memorandum of Understandings (MoUs) with M/s. JEMSE (a State-owned enterprise of Jujuy province of Argentina); M/s. YPF (an energy major & federal owned enterprise of Argentina), M/s. CAMYEN (a state-owned enterprise of Catamarca province of Argentina) and M/s. Far East Company of Russia for sharing of information for investment decisions.

2.11 Formation of Joint Ventures by National Aluminium Company Limited (NALCO) - Intended to boost the domestic manufacturing sector and also augment investment into the country. NALCO set up Angul Aluminium Park in JV with IDCO with investment of Rs.16.22 crore equity for establishment of Angul Aluminium Park Private Ltd. (AAPPL) for promotion of downstream industries. NALCO has constituted a JV Company named Utkarsha Aluminium Dhatu Nigam Limited (UADNL) with Mishra Dhatu Nigam Ltd. (MIDHANI) in Aug'19 for manufacturing High End Aluminium Alloy for use in Defence, Aerospace and Automobile sectors reducing import dependency for such alloys and encourage Make in India with an initial investment of Rs. 20 crore.

2.12 Joint Venture between National Aluminium Company Limited (NALCO) and Gujarat Alkalies and Chemicals Limited (GACL) . NALCO has formed a JV Company with GACL named "GACL-NALCO Alkalies & Chemicals Private Ltd. (GNAL)" to set up a 2.7 lakh TPA Caustic Soda Plant along with 130 MW Captive Power Plant at Dahej in Gujarat with an objective of raw-material security and to reduce import dependency.

2.13 A 200 bedded exclusive COVID 19 hospital at Nabarangpur, funded by NALCO was inaugurated by Hon'ble Chief Minister of Odisha in presence of Hon'ble Union Minister of Parliamentary Affairs, Coal and Mines, Shri Pralhad Joshi (through video conferencing) on 20.04.2020. This hospital facility includes a 10 bedded ICU with oximetry along with 24-hour diagnostic facility etc. It will provide round the clock facilities to the patients of undivided Koraput district with high tribal population and help in combating COVID-19 cases.

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2.14 NALCO has achieved 73,65,001 tonnes of Bauxite Annual Production which is highest ever since inception, surpassing the previous highest production of 73,02,245 tonnes (FY 2019-20). Export Metal sale is 1,92,174 tonnes which is highest ever since inception surpassing the previous highest export of metal of 1,46,947 tonnes (FY 2009-10). NALCO continuous to be the lowest cost producer of Bauxite and Alumina producing company in the world for the year 2020 (Would Mackenzie Report).

2.15 Hindustan Copper Limited (HCL) market capitalization of the company reached to Rs.16,579.63 crore as on 27.05.2021 from Rs. 1,864.3 crore as on 31<sup>st</sup> March, 2020, an achievement by almost 889%. Metal-in-Concentrate (MIC) sale of the company was 32,997 tonne in FY 2020-21 and is the highest ever MIC sale.

2.16 Mineral Exploration Corporation Limited (MECL) submitted 67 nos. of Geological Reports and established 9,113 million tonnes of mineral resources. A total Exploratory drilling of 12,78,187 m has been carried out. During 2019-20, one mineral block explored by MECL has been auctioned. So far, 21 mineral blocks explored by MECL has been auctioned.

2.17 The Minerals (Other than Atomic and Hydro Carbon Energy Minerals) Concession Rules, 2016 have been amended on 08.04.2021 vide the Minerals (Other than Atomic and Hydro Carbon Energy Minerals) Concession (Second Amendment) Rules, 2021 for making provisions for publication of average sale price (ASP) of those metals for which London Metal Exchange does not publish the daily settlement price.

2.18 The Granite and Marble Development Council has been constituted under the chairmanship of Secretary, Ministry of Mines for a period of 3 years to prescribe a uniform framework with regard to systematic and scientific exploration of Granite and Marble Minerals throughout the Country.

2.19 The Ministry, in exercise of powers under proviso to section 9B(3) of the MMDR Act, issued directions to all State Governments and UTS vide order dated 23.04.2021 that Hon'ble Members of Parliament and Hon'ble Members of Legislative Assemblies / Councils shall be made members of Governing Council of the concerned District Mineral Foundations(s) and any meeting of the DMF after 23.04.2021 shall be held after including such Hon'ble Members in the Governing Council.

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